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AUGUST 2, 1965

THE NETHERLANDS-U.S. AGRICULTURAL TRADE

GOOD GRAIN CROPS EXPECTED DESPITE ADVERSE WEATHER

THE WORLD'S SOYBEAN CROP

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FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

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FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

AUGUST 2, 1965

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Amsterdam is one of two main entry points for U.S. farm exports, not only to the Dutch but to the rest of Europe (see story, opposite page). Photo from Port of Amsterdam Association.

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The NETHERLANDS and the UNITED STATES

—natural trading partners, both benefiting from their long association.

By LOUIS M. SMITH, JR.
U.S. Agricultural Attaché
The Hague, Netherlands

Ever since the 1880's, when the Netherlands began to base its intensive livestock and dairy production on the increasing foreign supply of cheap feedstuffs, its agriculture and that of the United States have complemented each other more and more. Today's substantial trade between the two countries reflects that complementary relationship.

U.S. feedstuffs are the backbone of the far-flung Dutch export trade in dairy, poultry, and livestock products. The success of that export trade helps keep the Dutch economy in such a flourishing state that the Netherlands can afford to buy U.S. goods with a total value almost four times as high as that of the goods it sells to the United States. For agricultural products considered separately, the trade relationship is similar: the Netherlands buys from us far more than it sells to us.

But trouble could lie ahead for this useful trade partnership. As the European Economic Community's policies on internal and external trade develop further, they may make it more difficult, not only for U.S. exporters to sell to the Dutch, but for the Dutch to market their traditional export products.

The special U.S.-Dutch trade relationship

The Netherlands market for U.S. farm products is the third or fourth largest in the world. This market is a threefold one. First, there are the basic raw materials needed by the Dutch livestock industry. "Extensive" farming on the abundant lands of the United States supplies coarse grains, oilseeds (especially soybeans), oilcake and meal, and tallow. "Intensive" farming on the scarce lands of the Netherlands converts these various feedstuffs into animal products—for both export and domestic consumption. This efficient combination makes the most of agricultural specialization in each country.

Second, there are the important U.S. farm products that are needed for consumption in the Netherlands but can be grown there either not at all or only on a limited scale. Examples of those not grown are cotton, tobacco, citrus fruits, and rice; grown on a limited scale is wheat.

Third, there is the important role of the Netherlands in the transshipment of U.S. farm commodities. This role is based on the economic characteristics of a small nation that until its recent major finds of natural gas had very little in the way of resources. What it did have was an unparalleled location, where three big rivers—the Rhine, the Meuse, and the Schelde—reach the North Sea. These give it access to the hinterland of Belgium, France, Germany, and Switzerland through a highly developed system of barge traffic. Coastal shipping gives it access to the United Kingdom and the North Sea countries. Thus, with the efficient cargo handling of its two major ports, Rotterdam and Amsterdam, the Netherlands is a major entry point for U.S. farm products to nearly all Europe.

This fact has put it out in front among our European

Below, two principal Dutch export commodities are readied for shipment. Left, butter is taken from churn; right, eggs are sorted by size.

Farming on this peaceful old estate is mixed—partly grass land, partly tillage. Below left, a traditional cheese market.

U.S. AGRICULTURAL EXPORTS TO THE NETHERLANDS

Commodity	Average 1956-58	Average 1959-61	1962	1963	1964
	Mil. dol.	*Mil. dol.*	*Mil. dol.*	*Mil. dol.*	*Mil. dol.*
Wheat and flour[1]	25.0	25.6	29.3	23.2	28.2
Rice, milled[1]	.3	3.4	2.4	3.3	5.8
Feed grains[1 2]	60.0	102.9	136.1	117.1	132.2
Cotton, excl. linters	19.4	21.6	11.9	13.5	13.5
Tobacco, unmanufac.	14.2	16.4	16.1	18.2	18.6
Vegetable fats & oils[1 3]	11.1	11.6	4.4	10.3	16.0
Oilseeds	37.7	61.1	66.6	54.6	85.4
Oilcake and meal[4]	2.1	7.5	16.7	14.0	18.4
Fruits and preps	18.5	12.6	16.2	16.9	15.1
Vegetables and preps	1.7	2.6	5.4	6.3	4.3
Nuts and preps	1.5	.9	.4	.9	1.7
Animal fats and oils	17.5	18.1	12.2	15.1	18.5
Poultry meat	.4	3.6	7.8	4.9	4.6
Other meat & products	8.3	6.9	6.7	8.1	13.3
Hides and skins	7.5	9.7	10.2	8.2	10.6
Dairy products[1]	.1	.8	.2	6.3	28.6
Other[1 5]	13.4	13.6	23.3	35.5	30.4
Total	238.8	318.7	365.8	356.8	445.2

[1] Includes food exported for relief or charity by individuals and private agencies. [2] Barley, corn, oats, and grain sorghums, excluding products. [3] Excludes essential oils. [4] Protein meal. [5] Mainly mixed feeds, fodders, field and garden seeds, coffee, hops, essential oils, sugar and related products, and live animals.

Economic Research Service, USDA.

destinations, with $445.2 million worth of U.S. agricultural shipments in 1964. West Germany ranked second with $435.2 million. When transshipments via the Netherlands and Belgium are added, however, Germany moves up to first place. But, even discounting the large quantities of U.S. farm products that are transshipped to West Germany, the Netherlands remains the world's leading per capita importer of U.S. farm exports. The 95 million people of Japan, our top customer, take about $7.60 worth per year each; the United Kingdom's 53 million, $8.30 each; Germany's 57 million, $10.30 each; and the 12 million Dutch, $32.75 each.

Changes in the trade in recent years

The past 6 years have witnessed a considerable total increase in U.S. farm exports to the Netherlands. During this period, there have been many changes, up and down, in the composition of these exports. Some items have shown striking gains: feed grains, rice, oilseeds, oilcake and meal, vegetables, poultry meat, and other meats (chiefly variety meats). Some items have declined or lagged, among them cotton and fruits; some have remained relatively stable, such as wheat, tobacco, and animal fats.

All of these changes reflect the changing needs of the Dutch, as influenced by their own production and their efforts to maintain traditional export markets and develop new ones. Outstanding examples of changes in needs occurred in 1964, when the Dutch imported U.S. butter, because their own supplies were short, as well as large amounts of U.S. nonfat dry milk for use in mixed feeds for veal calves.

Outlook for Dutch livestock exports

The Dutch for many centuries have had a liberal attitude toward trade. With the advent of the EEC, this policy has already run into difficulties, and it is very likely to encounter more. The Community's tendency to increase trade restrictions on commodities produced within its own area runs counter to the normal Dutch trend of importing basic raw materials for conversion into export products. The Dutch have been using rebates of import levies on grain to help make their exports of livestock

products competitive in price. Such rebates are scheduled for termination: first, those on internal EEC shipments and later those on imports from third countries like the United States. Grain imports will thus rise in price, along with domestic grains; and the Dutch will find it increasingly difficult to price their livestock products for effective competition in export markets, both inside and outside the Common Market.

Outlook for U.S.-Dutch trade

Our farm shipments to the Dutch can expect increasing competition from the EEC's own production of feed grains and from production of oilseeds by the African countries associated with the EEC. But, if the terms of trade permit, the Netherlands will remain a major buyer of our feedstuffs, for it is unlikely to cease being a major producer of pork, beef and veal, poultry and eggs, and dairy products—and the Common Market countries as a whole are unlikely ever to produce all their own feed requirements. Also expected to continue selling well in the Netherlands are the U.S. agricultural commodities that the Dutch do not produce—cotton, tobacco, and some fruits—and also variety meats, provided that U.S. sales of meat products are not hampered by EEC veterinary regulations. In general, however, the future level of U.S. agricultural exports to the Netherlands will depend heavily upon the outcome of the Kennedy Round of negotiations now being carried on under the General Agreement on Tariffs and Trade, as well as upon the nature and severity of EEC regulations on internal and external trade.

Good Grain Crops in Prospect Despite Adverse Weather

Another good world grain crop is in prospect. Despite much below-normal weather, and the fact that crops in such high-risk areas as Canada, the Soviet Union, and Australia are a long way from harvest, world grain production in 1965 probably will come close to the record level set in 1964.

Poor grain prospects in some countries appear to be offset by favorable developments in others. The spotty nature of the 1965 grain crop picture is borne out by regular reports from agricultural attachés, supplemented with a recent survey by the Foreign Agricultural Service.

Too dry, too wet

Drought is a problem in several areas.

The corn crop of the Republic of South Africa was cut by drought to such an extent that corn exports from that country are unlikely this year. Drought is affecting the grain crops of both Spain and Portugal, with larger imports a probability. Dry weather has delayed plantings and reduced acreage of wheat in Australia.

Crop conditions are uncertain in Mainland China. A drought last fall has apparently affected winter grain crop prospects. If normal conditions prevail for spring-sown crops, total grains may no more than approach the 1964 level. It is not expected that grain production will be sufficient to meet requirements and it seems likely that China must buy still more grain from the Free World.

Rain, floods, and cold weather have been prevalent in greater degree and in more countries than in any recent year—although the moisture also has had some beneficial effects.

Too much rain, resulting in floods, is still a serious problem in the Danube Basin countries. Some losses have occurred in small grains and planting of corn and other crops is being delayed. However, high levels of moisture could improve yields on lands not hurt by floods. Bad weather last fall brought reduced planting of winter wheat in Yugoslavia.

The Soviet Union has distinct winter and spring grain areas. Grains in the winter areas were favored with less winter-kill than usual, and winter wheat production is estimated to be 12 to 15 percent higher than in 1964. But the late spring in the spring wheat area—the New Lands—puts an element of uncertainty into total Soviet production for the year. Because of the short growing season, any spring planting delays increase the possibility of crop loss.

But favorable grain crop prospects are the rule almost everywhere else in the world.

On the basis of July 1 conditions, U.S. crops of corn, wheat, and oats will be larger than in 1964. Total grain production in Canada is expected to be bigger than last year, with prospects that with continued favorable weather, the wheat crop could exceed the record 1963 output.

Big crops expected in Europe

Favorable conditions in Europe, except in southeastern and southwestern areas, are expected to bring record or near-record grain production. France, the largest producer of grain in Europe, is expecting a new record 14-million-ton crop of wheat, with harvests of other grain crops also expected to be large. Record wheat crops are possible in West Germany and the United Kingdom, and output of other grains is expected to be at near-record levels. The Italian wheat crop, although below average, may exceed last year's production, while corn could set a new record of 4.0 million tons. Greece is looking for another wheat crop larger than requirements and higher production of other grains is in prospect.

Eastern European countries are reported to have experienced about the same kind of weather as the western part of the Continent. Consequently, grain production in these countries probably will at least reach the 1964 level.

Good wheat crops are expected in the Eastern Mediterranean area, including Turkey, Syria, Iraq, and Jordan. In the North African countries of Algeria, Morocco, and Tunisia, crops of wheat and barley are much improved over the poor crops of 1964, and some exports are possible from Morocco. India recently harvested a record wheat crop. Brazil had a record corn crop. Argentina had a good corn harvest, and was favored with normal conditions for planting wheat.

All in all, it looks like a good grain production year. If Canada, the Soviet Union, and Australia can avoid heavy losses, 1965 could well be an outstanding year.

—WILLIAM N. STARKEY
Grain and Feed Division
Foreign Agricultural Service

Who Grows, Sells, and Buys the World's Soybean Crop

World soybean production and trade were at an alltime high last year. U.S. remains principal supplier, Japan and West Germany big buyers.

Soybeans and soybean oil have long been a major source of dollar-income, and in 1964 the world's production went to a record 1.1 billion bushels. A significant factor in the 28-million-bushel increase over 1963 is the stepped-up production in Mainland China. Although China's foreign shipments also increased sharply in 1964, China in no way challenged the undisputed leadership of the United States as an exporter.

Both countries are competing for the chief market, Japan, and in 1964 China sold half its exported beans to the Japanese. The United States supplied 82 percent of Japan's imported beans, and 97 percent of West Germany's.

U.S. is chief producer

The United States produced about 65 percent of all soybeans grown in 1964, and Mainland China 30 percent, with Indonesia, Brazil, Japan, and the USSR major contributors to the small balance. Of these lesser producers, only Indonesia increased its production of soybeans in 1964 but its additional yield only partially offset a drop in production in Japan and in the USSR. With the exception of the United States and China, no country produced more than 15 million bushels, and both Japan and Russia imported soybeans to supplement their domestic crop.

While maintaining its position as the chief producer, the United States did not make any substantial increase in soybean production from 1963 to 1964; last year's yield of 700 million bushels exceeded the 1963 mark by less than 1 percent. Growers harvested a record acreage but average yields declined because of high temperatures and lack of sufficient rain in the principal growing areas.

Mainland China, on the other hand, increased its production of beans from an estimated 287 million bushels to 315 million between 1963 and 1964. The recovery of an estimated 1.5 million acres of soybean-growing areas, linked with better-than-normal weather conditions, is (according to the Communist press) responsible for the boost in production. From 21.2 million acres of harvested soybeans, the 1964 outturn from China is believed to have been about 10 percent above the estimated production of 1963.

The first official 1965 estimate of U.S. production, issued July 1, places acreage planted to soybeans at 35.6 million —up 12 percent from 1964.

Exports at record high

The increase in world production was reflected in record exports in 1964, largely from 1963-crop beans. Soybeans and soybean oil, bean-equivalent basis, totaled 348 million bushels, one-fifth above those in 1963 and almost three-fourths more than the 1955-59 average. Nearly 95 percent of the total was grown in the United States, and most of the balance in China.

Exporting on a smaller scale was done by Nigeria, the only African nation that produces soybeans in any significant volume. Soybeans are grown as a cash crop in Nigeria, where growing conditions are unfavorable to other cash crops. Canada exports some soybeans and products, virtually all to the United Kingdom. It is expected to ship about 3 million bushels this year.

The strong demand for soybeans plus record export availabilities in the United States kept this country in the lead as an exporter of soybeans and soybean products (oil and meal), in 1964. Other factors which affected the U.S. position last year were the return of Spain as a U.S. soybean oil customer after one crop-year's absence (Sept.-Oct.), the emergence of India as a market for soybean oil under Public Law 480, and the smaller olive oil production in the Mediterranean Basin. Over 20 percent of the soybean oil shipped from the United States in the first 7 months of the current U.S. marketing year went to Spain for dollars, and another 17 percent went to Pakistan under P.L. 480.

As a dollar earner, soybeans and products ranked first among U.S. agricultural exports in both fiscal years 1963 and 1964.

The 1964 total of exported beans from China, the only other major exporter of soybeans in the world, reached an estimated 21 million bushels, an increase of 6 million from 1963. In 1960 almost one-third of China's exported soybeans went to the Soviet Union, but since then shipments to that country have been negligible, if any. Despite the absence of this major buyer, China has continued to increase its total exports and is expected to ship possibly 25 million bushels in 1965.

West Germany, Japan buy the most

Although Japan is traditionally the largest single market for the world's soybeans, Western Europe buys the bulk of the world's soybeans, in 1964 purchasing 130 million bushels, almost 29 million more than the year before. U.S. beans represented 92 percent of those imports, and China supplied almost all the remainder.

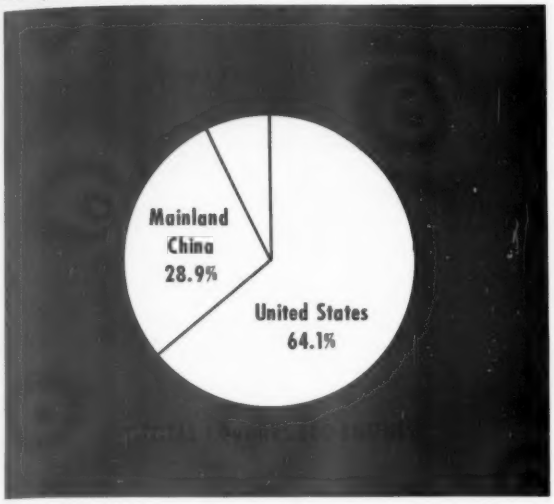
Last year's U.S. export records show that the chief market for U.S. beans was Japan, with West Germany, Canada, and Israel important buyers. However, according to West Germany's *import* records, that country was the major market. Many U.S. beans destined for the Netherlands moved on from the Port of Rotterdam into West Germany, bringing the total soybeans imported from the United States to a record 49.8 million bushels.

The Soviet Union made an $11.6-million cash purchase early in 1965 of more than 3 million bushels from the United States. This probably reflects a regional soybean oil shortage and idle crushing capacity in the Soviet Far East, rather than a shortage of Russian oilseeds.

Soybeans are the most important raw material of Japan's edible oil industry, and although the Japanese Government continues to support its program of domestic production, local growers supply only about one-eighth of the rising demand. (Production actually went to abnormally low

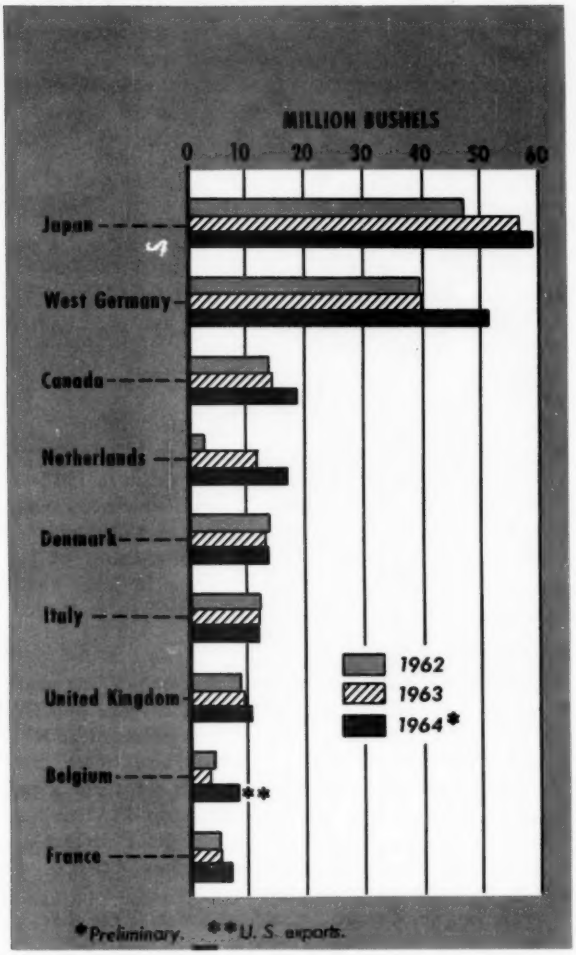
(Continued on page 16)

Principal Soybean Producers, 1964



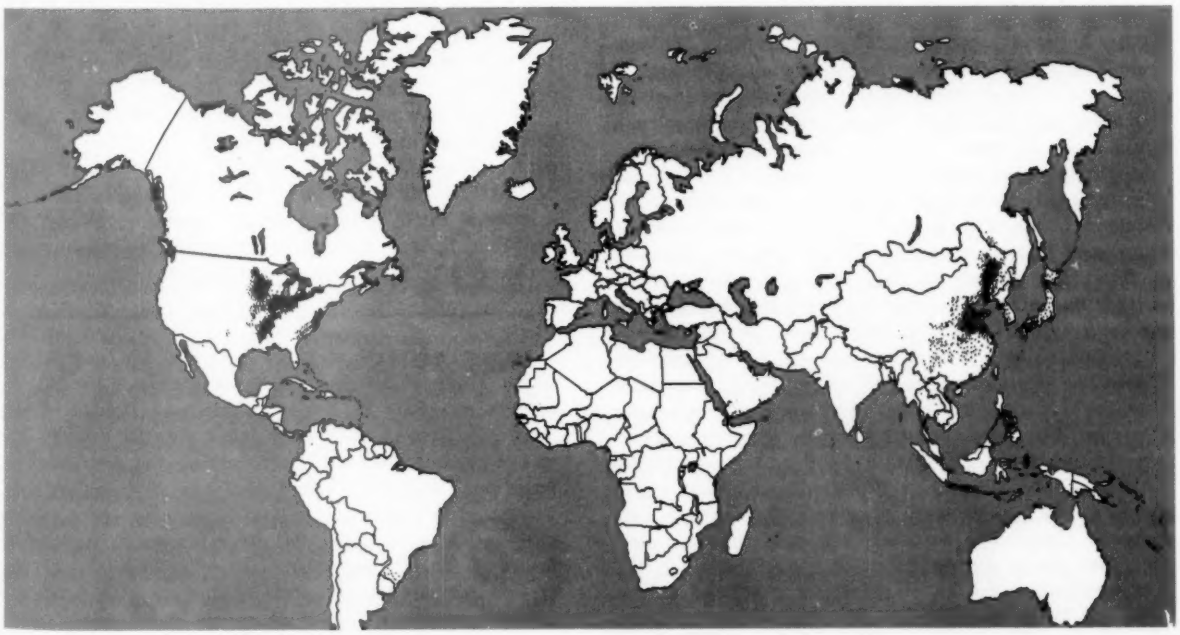
Principal Soybean Exporters, 1964

Principal Soybean Importers, 1964



Where the World's Soybeans Are Produced

[Each dot = 500,000 bushels. Adapted from ERS Neg. No. 2431-63(10)].



World Rice Crop 3 Percent Above Preceding Year's Record

World rice production set a new record in 1964-65 (August-July). According to the second estimate of the Foreign Agricultural Service, the harvest is reported at 168.4 million metric tons of rough rice compared with the previous record of 164.2 million in 1963-64 and 151.9 million tons in 1962-63.

The year was marked by record acreages and record harvests in a large number of countries all over the world. Acreage on all continents increased, and for the second successive year weather was generally favorable for production. Also, wider acceptance and use of improved cultivation methods in many countries, including some larger areas of Asia, are resulting in increasingly higher yields.

World rice acreage in 1964-65, estimated at 232 million acres, exceeded the previous large acreage of 1963-64 by 4 million acres, and was 10 million more than in 1962-63. The principal increase occurred in Asia, which accounted for 88 percent of the world acreage, excluding that of Communist Asia. India, with nearly four-tenths of the total acreage, had the largest expansion. In other continents, a general trend in increasing acreage continued.

India leading producer

The major contribution to world rice output was made by India, with an increase in both its acreage and the yields harvested per acre. The acreage, estimated at 89.1 million acres planted, was 1.1 million acres more than the 1963-64 previous record. With yields 4 percent above the good yields of 1963-64, a bumper crop of 58 million tons of rough rice showed an increase of 5 percent—3 million tons—over the high level of 1963-64. Other countries of Asia also increased production.

Production in Western Europe, although larger than in the preceding year, was below the average 1955-56/1959-60. Acreage increased in all countries except Spain. France and Greece had good crops. Yields of Italy and Portugal declined, but acreage increases resulted in harvests of 9 and 5 percent, respectively, larger than the year before. Drought cut Spain's acreage and production was the lowest since the early 1950's. East Europe's acreage and output were down moderately.

U.S. crop higher

North America harvested record rice crops. Acreage was 5 percent larger than the 1963-64 previous record, and higher yields per acre were harvested. Although U.S. acreage was only slightly larger than in 1963, new record yields resulted in a 4-percent increase in production. Panama sharply increased rice acreage and production.

Africa's crop shows a moderate decline from the preceding year. Acreage increased 6 percent, but less favorable weather than in 1963 resulted in a lower yield harvested per acre. This was especially the case in Egypt, which produces nearly a third of the continent's rice crop.

In South America a record production was harvested from a record acreage. Acreage in Brazil has increased rapidly in the last 3 years. In contrast with the drought year of 1963-64, when Brazil's per-acre yields were much below average, the 1964-65 yields were considerably higher than the normal, and production increased sharply.

Australia also harvested a record crop from a record acreage. The increase was due principally to the harvesting of more land in rice, which increased 6 percent over 1963-64. Yields per acre exceeded the relatively low yields of the year before, but were below the average of the preceding 5 years.

—L. THELMA WILLAHAN
Grain and Feed Division, FAS

Argentina Intensifies Wheat Export Efforts

After Argentina's bumper 1964 wheat crop, the National Grain Board embarked on a sales program to dispose of surplus grain. These efforts have resulted in sales to countries which have not been markets for Argentine wheat, as well as in increased sales to some regular markets.

In making some of these sales, Argentina has departed from its usual "cash only" policy. The sale of wheat to Mainland China, following the pattern of earlier sales, was a cash transaction for 1 million tons at a price of about $53.20 per metric ton, f.o.b. Buenos Aires. In contrast, the recent sales agreement with the Soviet Union was on a different basis, as that country wished to buy c.&f.; and it had a new feature—an arrangement to balance the wheat purchase with shipments of petroleum products. This is the first large Soviet wheat purchase from Argentina. The sales contract provides for Argentina to ship 700,000 tons of wheat in 1965 and an additional 300,000 in 1966. The Grain Board will sell wheat to exporters at $53.20—the same price as in the contract with Mainland China. The exporters will then negotiate contracts with Soviet representatives on a c.&f. basis.

It appears that not all of the wheat purchased by the Soviet Union is intended for shipment to Russia. More than 100,000 tons of grain cargoes have been booked to Hamburg with an option for delivery to Polish ports. Additional heavy charters for vessels early in 1966 call for voyages to Baltic Sea ports and could mean Eastern European destinations.

The pressure of wheat surpluses has influenced Argentina to enter into a barter arrangement with Iran. This contract—announced July 9—provides for the exchange of 350,000 tons of Argentine wheat for Iranian oil. Also, a letter of intent has been signed between Argentina and the United Arab Republic that, if implemented, would exchange 300,000 tons of wheat for oil.

RECENT FAS PUBLICATION, *"Barriers to International Grain Trade in Selected Foreign Countries,"* by Lyle P. Schertz and Koy L. Neeley, Grain and Feed Division, FAR-126. Protection of farm income is the primary objective governments have in controlling and restricting international trade in grain. Techniques they employ vary widely; most common are tariffs, variable levies, skimmings, deficiency payments, mixing regulations, quotas, licensing, state trading. These and other highlights on the grain economics of 17 importers and 4 exporters introduce brief discussions on individual-country grain policies.

Above, karakul sheep in the Windhoek District of South-West Africa. Right, model wearing a karakul coat in fashion show in Johannesburg.

Southern Africa's Karakul Industry —a $29 million business that's growing

Since its introduction to southern Africa in 1907, the karakul sheep industry has grown into a prosperous export business for South-West Africa and the Republic of South Africa. The highly organized industries of these two countries have cooperated closely over the past years, both in technical research and promotion, and are reaping the benefits in increasing export dollars as the world's chief karakul producers.

In 1924, some 12,000 pelts were exported at a total value of $20,160, and continuing increases in exports and prices pushed this total to $14,719,000 by 1960. In the last 4 years, exports of karakul pelts for Persian lamb coats have more than doubled and become a big source of agricultural income for both South-West Africa and the Republic of South Africa. In 1960, 2,731,000 pelts were produced, selling for $5.39 per pelt. By 1964, the price had gone up to $8.60, accompanied by a 669,000 increase in production.

Production increase controlled

Cooperation between the two countries in production is responsible for a carefully guarded increase in the number of pelts produced each year. Although the number of sheep bred has increased greatly in the last three decades, the quality of stock has remained constant, with a progressive rise in pelt prices to the producer at the farm level. Grants made for research have been largely responsible for this.

The two African countries have also worked together on the promotion of karakul. Both the South-West African Karakul Industry Advisory Board and the Karakul Industry Committee of the Republic of South Africa are controlled by a single organization, the Karakul Industry Coordinating Committee. This committee conducts all promotional activities for the industry, with contributions made by the respective countries in proportion to their production in the past few years. Last year, close to $300,000 was spent in the advertising of South African karakul. Included in the program were a consumer demand study in the United Kingdom and preliminary work on a marketing survey in the United States and Canada.

Sheep thrive in dry climate

The arid lands of South Africa are ideally suited for the breeding of karakul because the sheep are less susceptible to foot diseases and worms than in more humid climates. The life expectancy of the karakul lamb is so short they do not have to be raised, and consequently are not a drain on the limited water supply and scanty grass.

In breeding karakul for both stud-breeding and pelt-producing, the animals must be judged and selected within 24 hours of birth. After this age the hair quality and texture, as well as the pattern of the pelt, deteriorate from the rapid growth of the lamb and of the fur. Photography, therefore, plays a prominent part in breeding, because the photograph of the lamb is the only means of judging the animal after 24 hours. Only those lambs so good they are kept for breeding or so bad they are used for meat have longer lives. Lambs with good coats are slaughtered and skinned almost immediately after birth.

In the fur trade, karakul pelts are known as Persian lamb, krimmer, broadtail, or astrakhan. Although most of the karakul are black, designers have also used silvery grays, browns, and white in making women's fur fashions.

Data from J. H. Kruger, formerly of Office of U.S. Agricultural Attaché, Pretoria. Pictures, Livestock and Meat Control Board and Information Service, Rep. S. Africa.

Program To Promote Quality U.S. Poultry Abroad Gets Underway—Backed by Over 90 Export Firms

An industrywide program to increase U.S. poultry exports by encouraging quality identification got underway last month with the release of official quality emblems and a buyers' guide of U.S. producers, processors, and their products.

Over 90 firms have signed up for the new program administered by the U.S. poultry industry's International Trade Development Board in cooperation with FAS. More are expected to join later as results become evident.

In announcing the quality emblem program, Secretary of Agriculture Orville L. Freeman said: "We are pleased to join with the industry in this forward step in marketing our poultry abroad. In the few years since we began to export poultry in volume, we have built up an $85-million annual business that is still growing. Our broilers and turkeys have established an enviable reputation throughout the world. This additional means of identifying our products as to quality and packaging should enhance their reputation with consumers and the trade and help us maintain and expand this export market in the face of strong competition."

Two emblems will be available to identify the grade of poultry exported: U.S. Grade A or better may bear a chevron with "USA poultry, Excellent Quality;" U.S. Grade B or better, a triangle with "Approved Quality." These will indicate that the shipment has met certain specifications on weight and packaging, as well as the usual USDA inspection code for wholesomeness. No export certificates will be issued on shipments with these emblems unless all specifications have been satisfied.

Participants may use either of these emblems on consumer packages and shipping containers of chickens and turkeys in addition to company trademarks, brand names, or U.S. Government markings.

The third emblem will identify the shipper as a participant in the U.S. poultry industry's international trade development program who has pledged to maintain high quality industry standards in engaging in foreign trade. It is intended primarily for use on letterheads, brochures, and other company issuances.

As members of the new quality program, processors and exporters using any one of the three emblems have agreed to the assessments levied by ITDB for promotional activities. Processors pay 5 cents a hundredweight on poultry shipped overseas, while exporters contribute a flat $500 each plus 5 cents a hundredweight on poultry they export for processors in excess of 1 million pounds.

To help the foreign buyer contact U.S. suppliers with products of the quality he desires, an "Approved Quality" Buyers' Guide lists the names and addresses of firms that are entitled to use the three emblems, as well as exact descriptions of their products. This will be distributed by ITDB throughout the major U.S. poultry markets in the language of the country where circulated.

The publication also contains an explanation of U.S. poultry grading standards, the U.S. inspection service, and definitions of trade terms to assist buyers in making transactions.

In 1964, the United States maintained its position as No. 1 poultry exporter with shipments of 231 million pounds, up 11 percent from the previous year, but only about 85 percent of the record 271 million pounds exported in 1962. These went to some 80 countries and independent territories, and—with the exception of small amounts moved under Title I of P.L. 480—all were for dollars.

Sales to the best U.S. market, West Germany, reached more than 99 million pounds for a slight increase over the 1963 figure, followed by those to the Netherlands and Hong Kong of between 16 and 17 million pounds each. Canada ranked fourth as a U.S. market (over 13 million pounds) and Japan next (nearly 11 million pounds). Other important customers were Austria, Switzerland, and Britain.

Three new emblems for U.S. poultry exports: the first two, reading from the top, indicate quality—Grade A and better, and Grade B and better. The last—largely for use on letterheads and other printed material—indicates the shipper participates in the ITDB program to promote quality in exports.

On the competition side, the Netherlands was again the chief contender with the United States in world poultry markets last year with exports totaling 165 million pounds. Denmark, next, shipped 122 million pounds.

Exporters wanting further information on the use of quality emblems or a copy of export specifications should write to the Institute of American Poultry Industries at 67 East Madison, Chicago, Illinois 60602.

A brief report on
Promoting U.S. Farm Products in the U.K. Market

By ROBERT N. ANDERSON
U.S. Agricultural Attaché, London

Britain's general economy at present is quite prosperous, in spite of uncertainties. Consumer earnings are high, and unemployment is very low.

The main problems are the unfavorable balance of payments and inflationary pressures. The British Government has taken a series of measures designed to hold imports in check or decrease them, to encourage exports, and discourage growing consumer demand; however, agricultural products should be only marginally affected compared to other imports.

The United Kingdom is the largest market in the world for imported agricultural products. About half of the country's food requirements and all of its tobacco, cotton, oilseeds, citrus, and other tropical products must be imported.

Highly competitive market

The British market also is one of the most competitive in the world. To gain entry or remain in this market requires good quality products, competitive prices, and effective market promotion effort.

Until a few years ago tobacco and cotton were our largest exports to this market. Tobacco was the largest in value. In the last 10 years our position has slipped from more than 50 percent to about 40 percent of total British imports of tobacco. This has been caused mainly by the rapidly increased production of the Rhodesian crop, which sells at 20-30 cents per pound below U.S. leaf.

Britain's cotton industry has declined the past few years as manmade fibers have absorbed increasingly more of the market, and imports of cotton material, mainly from Commonwealth countries, have continued to increase. Imports of raw cotton have decreased. Shipments from the United States in the past 3 years have amounted to only 20 percent of U.K. supplies as compared with 30 to 40 percent earlier.

The United States has had an active cotton promotion program, which in the past has been supported by the British Cotton Board. It now will be conducted by a country director and an advertising agency. The main aim will still be to hold the position for cotton in the fabric world.

As the markets for cotton and tobacco have declined, U.S. exports to Britain of certain other commodities have increased so that the total value has remained relatively constant. About 300 different agricultural items are imported now from the United States, with a total value in 1964 of about $450 million.

British grain production up

Feed grain imports increased in line with a rapid growth in the domestic livestock production, especially poultry, but U.S. shipments of both feed grains and wheat in the last 2 years have been disappointing. Britain's grain production has been increasing steadily since the war, and acquiring a larger share of the market.

Our market promotion programs for feed grains, soybeans, and soybean products are believed to have helped to increase imports of these products, especially through closer contact and servicing of the trade.

Rice is a good example of market improvement, increasing from an insignificant share of the market a few years ago to about 40 percent at present. Our marketing efforts have emphasized the various types of U.S. rice available and their uses in meal planning.

U.S. exports of lard, tallow, and offals to the British market have shown marked improvement in the past few years.

Last year the United States supplied 89 percent of U.K. lard imports, amounting to $56 million. But imports this year will be down. Our promotion program, supported by the U.K. Lard Association, has done an effective job of enhancing the image of lard.

The British market for tallow and offals is expected to continue to grow. In 1964 the United States supplied 20,000 tons of offals, an increase of 78 percent over the year before.

This expanded market has brought in new suppliers, and more attention now must be given to quality, type of pack, and British import regulations. To stress this, a promotional seminar on variety meats is planned for next fall at our trade center in London.

We have also had two promotion functions to test the market for U.S. beef, but it is not expected that large commercial shipments will be feasible in the near future.

The United States is not a major supplier of poultry and dairy products to the U.K. market. Imports of fresh, chilled, or frozen U.S. poultry are prohibited because of veterinary regulations. However, 1,900 tons of cooked poultry in canned or frozen form were imported from the United States last year, an increase of 28 percent over 1963. Also, 650 tons of U.S. egg albumen were imported last year, and poultry breeding stock was imported from America under strict quarantine and license restrictions. In 1964, 5,000 tons of U.S. butter and around 9,000 tons of non-fat dry milk were imported to this market, but no big increase is in sight.

Fruit and vegetable promotion

The British market for fruits and vegetables is highly competitive. Since the war, other countries have been competing favorably both on a price basis and on quality. They have also carried out aggressive market promotion programs. Furthermore, the Commonwealth countries and South Africa have preferential treatment with respect to import duties. U.S. promotion programs for prunes and raisins have been active and well conducted, but the volume of imports has been disappointing.

Trade center activities have been fruitful in helping to retain our markets in the United Kingdom, mainly through providing closer contact with the trade, improving awareness of our products and of U.S. interest in foreign markets. These activities have also helped introduce other products. Cranberries and many other products introduced to the British through trade center shows are found now in the main grocery shops.

"In-store" promotions, conducted through our trade center operation in

various parts of the country with grocery chains and large multiples, provide an excellent means of reaching consumers and calling attention to U.S. food products. Also through these we have been able to unite the efforts of the trade, the importers, distributors, wholesalers, retailers, and commodity cooperator groups, in efforts to increase sales of all U.S. food products.

Each year about three large food exhibitions are held in principal urban centers. Exhibitions are considered worthwhile means of promoting markets and are used extensively by most of our competitors.

Trend to brand promotion

So far, our exhibitions have been based mainly on commodities themselves, but other countries now stress branded products and we feel that we should do likewise. Consequently, private firms are being encouraged to participate in our future exhibits by offering them booths at nominal cost where they can demonstrate and sell their own products. Contacts with British distributors of U.S. products have indicated enthusiasm for the plan. Commodity cooperators willing to share in the costs are also being encouraged to participate.

Over a dozen commodity cooperator groups for promoting markets have active programs in the United Kingdom, mainly through public relations or advertising firms. Experience has shown that close coordination of our efforts and those of the various commodity groups makes a much greater impact not only on the total image of U.S. products but for the individual commodities.

Iowa Promotes Farm Exports

"Increased foreign trade in Iowa products" is expected by an Iowa Trade Mission as a result of its recent visit to London to promote the State's agricultural and industrial products. Among the 60 Iowans making up the team were representatives of the State's food, feed grains, and other agricultural-product interests.

This trade promotion by Iowa—which last year exported some $331 million of agricultural products—is part of increasing efforts by States to develop overseas markets. (See *Foreign Agriculture*, July 19, 1965: Virginia Promotes Its Farm Products.)

Two-Phase Noodle Promotion Project in Japan Aimed at Increasing Imports of U.S. Wheats

A promotional and research program to spur the Japanese noodle industry toward greater production of noodles made from 100 percent U.S. wheat is now in its eighth month and gaining momentum rapidly.

A followup to noodle training courses held for manufacturers by Wheat Associates and cooperating agencies over the past 2 years, the program marks the first concerted effort by the entire Japanese noodle industry. It is expected to increase materially the percentage of U.S. wheats used in noodle production, upgrade the quality of noodle products, and enlarge the industry's share in the expanding consumer market.

During May alone, the promotional phase of the program included 12 regional seminars attended by over 1,800 industry representatives and homemakers. The seminars—consisting of cooking demonstrations (using three specially prepared recipe books), lectures, and films—were conducted by noodle associations in conjunction with the National Food Life Improvement Association, Wheat Associates, and FAS.

In Kyushu, reaction to the seminars was so favorable, the associations expanded the project at their own expense to include all of the island's seven prefectures, while in Tokyo 20 women officials of the Food Agency, upon request, received a special demonstration-cooking program.

By the time the project ends in December, the 2- and 3-day seminars will have been extended to 28 cities, and reached over 8,000 people.

The project's other phase, involving research to develop flour made from 100 percent U.S. wheat, is being conducted in Tokyo where a committee of technical representatives from wet and dry noodle associations has already developed several new flour brands, using a blend of U.S. Hard Winter and Western White wheats, and carried out extensive studies on manufacturing and cooking methods.

The noodle industry is the largest user of wheat in Japan, accounting for 43 percent of total flour consumption. Use of wheat products for food is rising at the rate of about 4 percent per year, a move strongly backed by Japanese Government efforts to increase consumption of wheat products.

Japan is the largest buyer of U.S. Western White and Hard Red Winter wheats, with Hard Red Winter currently accounting for roughly 60 percent of imports from the United States.

Yugoslav Market Studied for Import Needs

Getting underway in Yugoslavia is a market analysis project to determine the country's future demand for agricultural imports and to provide guidelines for possible U.S. market development activities.

Currently, Yugoslavia is 10th largest world outlet for U.S. farm commodities and 6th largest in Europe. U.S. exports for the past 2 years—mostly wheat and other grains, cotton, and edible vegetable oil—have been in the neighborhood of $120 million, are expected to hit $140 million this year. The United States is by far the largest single supplier of Yugoslav agricultural imports.

At one time taken largely under Title I of P.L. 480, Yugoslav imports from this country last year moved almost entirely into the long-term credit column, with 70 percent coming under Title IV, and the remaining 30 percent divided equally between Title I and cash sales. The amendment to P.L. 480 legislation in October 1964 calling for cessation of Title I sales to both Yugoslavia and Poland will make all sales to Yugoslavia this year either Title IV or cash, probably mostly the former for the time being.

A Title IV agreement signed last month called for $22.6 million of cotton and edible vegetable oil to be repaid in dollars at 3½ percent a year, an earlier one in March for $64.8 million of wheat at 4 percent.

The study, because of present gaps in market analysis and data, is expected to perform a useful function in increasing knowledge of the Yugoslav market and how to maintain, or expand, U.S. agricultural exports into it.

Brazil Faces Problems in Corn Exports

Brazil is facing problems in moving its record 1964-65 corn crop into export channels. Unseasonably wet weather in São Paulo and Paraná, two of the principal producing States, has delayed drying of the grain and, in some areas, made movement to market more difficult.

The latest official estimate of the crop is 12.3 million metric tons, up 31 percent from last year and 750,000 tons more than was forecast earlier this season. Domestic consumption—about two-thirds for animal feed and one-third for food and industrial uses—plus stocks, will account for a little over 10.2 million tons, leaving an estimated 2.0 million available for export.

The government has authorized exports of 1.5 million tons during 1965, and Ministry of Planning economists estimated that such a quantity could actually be exported this year, principally from the main harvest, which began in March. However, by the end of May, shipments had amounted to only 9,324 tons, against a goal of 100,000 by that date. The ports of Santos and Paranaguá are being provided with special loading equipment to handle the anticipated volume but will probably not be ready to operate at capacity before August. Santos is scheduled to load 900,000 tons and Paranaguá, 600,000 during 1965.

Since no government subsidy is granted for exports of corn, there is now concern on the part of exporters that the government's price support program is leaving insufficient margin between the price to producers and the f.o.b. price. The Association of Cereal Exporters has asked both the Federal and various State governments for relief from transaction taxes and reduced rail freight rates as well as other concessions during the export campaign. They maintain that, without the benefits requested, Brazil will be faced with a huge surplus which cannot profitably be exported.

Red China Completes Agreement To Buy Canadian Wheat

Mainland China recently completed contracts that bring its wheat purchases from Canada under the Second Long Term Wheat Agreement up to the agreement's maximum of 187 million bushels. This agreement was made for 3 years—August 1, 1963, to July 31, 1966. Under its terms, Canada agreed to sell a minimum of 112 million bushels up to a maximum of 187 million. There have been six sales contracts under the Long Term Agreement as follows in millions of bushels:

	Quantity	*Shipment period*	*Actual shipments*
1.	18.7	Aug. '63 to Jan. '64	19.6
2.	18.7	Feb. '64 to June '64	19.6
3.	40.1	May '64 to Dec. '64	40.7
4.	29.9	Feb. '65 to June '65	[1]31.4
5.	56.0	July '65 to Apr. '66	[1]58.7
6.	23.3	July '65 to July '66	[1]24.5
Total	186.7		194.5

[1] Estimated.

The Red Chinese have usually taken advantage of the tolerance of plus or minus 5 percent provided in the contracts to purchase near the maximum allowed by each contract. If this continues, total exports under the agreement over the 3-year period will total over 194 million bushels. All of the wheat under the agreement has been for shipment to the Chinese Mainland with the exception of small quantities for Albania.

The final sale of 23 million bushels under the Second Long Term Agreement was reported July 14, 1965. It is significant because it completes purchases under the agreement and provides for shipments for a full year through July 1966, whereas earlier sales had provided for 6-month shipping periods.

Mainland China also buys large amounts of wheat from Australia whose crop prospects are much reduced due to drought conditions; thus this forward sale under the Canadian agreement may represent assurance to meet import requirements during 1966.

As in previous sales contracts under the Long Term Agreement, payment terms are 25 percent cash when each vessel is loaded, and the balance of 75 percent in 18 months, with interest. The deferred payment is made possible by a guarantee to the Canadian Wheat Board by the Government of Canada.

In April 1961 the Canadian Wheat Board concluded the First Long Term Agreement with Mainland China for a minimum of 112 million bushels of wheat and a maximum of 186.7 million. Under the agreement, individual sales contracts were to be negotiated periodically as to quantity, terms, and price. Nine contracts were negotiated totaling 185.7 million bushels of wheat. Payment terms for the first seven contracts were 25 percent cash and 75 percent in 9 months, with interest. Terms for the eighth and ninth contracts were 25 percent cash and 75 percent in 1 year, with interest.

Belgium Lowers Consumer Subsidy on Wheat

During the current grain marketing year (which began July 1), Belgium's industrial millers will receive a smaller subsidy on wheat milled into flour than they did last year. Purpose of these milling, or consumer, subsidies (a temporary measure to ease transition to the uniform Common Market grain prices) is to slow retail price increases for bread and other wheat products.

This year's subsidy will be 53 francs per 100 kilograms, equivalent to 29 cents per bushel, on all wheat milled. Last year's was 207 francs per 100 kilograms ($1.13 per bu.), paid on only 30 percent of the wheat milled; this would have worked out to 62.10 francs (34 cents per bu.) if it had been paid on all the wheat. The reduction, announced June 24, was followed within 3 weeks by an increase in the retail price of bread.

The European Economic Community, under article 23(4) of its Regulation No. 19, permits its Member States to pay subsidies of this kind. The Belgian subsidy is paid by the Ministry of Economic Affairs through its Office of Commercial Food Supply.

The Belgian Government has been paying consumer subsidies on wheat ever since the EEC grain marketing regulations came into force in 1962. Their braking effect

on prices has been considerable. Nearly all wages of Belgium's blue-collar labor force are tied to movements of the official retail price index, which includes 65 items (each given equal weight). Of the 65, 34 are food products; and of the food products, 4 are made from wheat. The index is calculated and published by the Ministry of Economic Affairs, and all items included in it are subject to retail price control by the Ministry.

Canada's Exports of Dairy Products

Canada exported more cheese, butter, canned milk, and dry whole milk but less nonfat dry milk and casein in 1964 than in 1963.

Exports of cheese, largely Cheddar, increased 6 million pounds to 32 million pounds. The United Kingdom continued to be the most important market, taking 30 million pounds compared with 25 million in 1963. Sales to the United States totaled 1 million pounds in both years.

Canada's shipments of canned milk, almost entirely evaporated milk, were up sharply from 6 million pounds to 18 million pounds. Of this quantity, more than 10 million pounds were sold to Cuba, which was not a purchaser in 1963.

Trade in dry whole milk increased 1 million pounds to 18 million pounds. Venezuela, the leading buyer for the past several years, accounted for more than 88 percent of total exports.

Nonfat dry milk exports fell off sharply to 42 million pounds from the record 56 million shipped in 1963. Several countries which were important markets a year ago made no purchases in 1964, among them Chile, Indonesia, Korea, and Japan. Reduced purchases by some other countries also contributed to the decline in 1964 exports. These included the Netherlands, which took only 3 million pounds compared with more than 8 million last year; Denmark, 50,000 pounds (5 million); Spain, 2,000 pounds (4 million); Belgium, 243,000 pounds (2 million); and Switzerland, 106,000 pounds (1 million). Heavier shipments were made to Cuba, 18 million pounds compared with 12 million a year ago; Italy, 6 million pounds (3 million); and Venezuela, 4 million (2 million).

Casein exports declined 4 million pounds to 12 million pounds. Shipments to the United States, Canada's leading market for casein, at 10 million pounds, were 4 million pounds less than 1963 shipments.

West German Tenders for Canned Asparagus, Waxed Beans

West Germany has announced a tender allowing imports of canned asparagus spears and/or tips only from the following countries: The United States, Australia, Israel, Japan, Canada, Peru, Spain, and Taiwan. After July 22, 1965, licenses will be issued if the application was submitted not later than 21 days for overseas countries and 10 days for Spain after loading aboard ship. After publication of an exhaustion of the value limit, licenses will only be issued for merchandise loaded aboard ship not later than 10 days after publication of such an embargo (excluding the day of publication). Import licenses will be valid until March 31, 1966.

The Federal Republic has also announced an import tender for cut-style canned wax beans allowing imports from the United States, Israel, Canada, and the Republic of South Africa. After July 20, 1965, licenses will be issued if the application was submitted not later than 21 days after loading aboard ship. After the publication of an exhaustion of the value limit, licenses will only be issued for merchandise loaded aboard ship not later than 10 days after publication of such an embargo. Import licenses will be valid until December 31, 1965.

Denmark's Pork Surplus

At the present time, Denmark has about 48 million pounds of pork in cold storage in Denmark, Sweden, and West Germany. Weekly production exceeds export sales by about 4 million pounds and production is expected to remain at this level for the next 10 months.

It is felt that by lowering export prices in order to market this surplus, traditional markets might be adversely affected. Other methods of disposing of the pork surplus are under consideration at the present time.

U.K. Lard Imports Down in First 5 Months

Lard imports into the United Kingdom during January-May were 216 million pounds, down from 239 million in the same period last year.

The United States remained the principal supplier with about two-thirds of the market, although a sharp drop is noted from the 90 percent supplied by the United States last year. Continental suppliers, notably Belgium and France, increased their shipments quite sharply. Lard is more plentiful in Western Europe this year as the pork production cycle is at a peak.

LARD: U.K. IMPORTS BY COUNTRY OF ORIGIN, JANUARY-MAY 1964 AND 1965

Country of origin	January-May 1964		January-May 1965	
	Quantity	Percent of total	Quantity	Percent of total
	1,000 pounds	*Percent*	*1,000 pounds*	*Percent*
United States	215,504	90.2	145,289	67.5
Belgium	4,000	1.7	40,842	19.0
France	5,273	2.2	9,584	4.4
Denmark	5,020	2.1	7,768	3.5
Netherlands	1,079	.4	4,467	2.0
Sweden	1,389	.6	2,776	1.2
Germany, West	6,199	2.6	2,752	1.2
Others	420	.2	2,750	1.2
Total	238,884	100.0	216,228	100.0

Source: Henry A. Lane & Co., Ltd.

U.S. Imports of Meat and Livestock Products

U.S. meat imports in May were 8 percent above those a year ago, but for January-May they were 23 percent below the 5-month period of 1964.

Beef and veal imports in May were 16 percent above a year earlier, but, for the first 5 months of 1965, they were 27 percent below 1964.

Also, pork imports in May continued to run at levels above a year earlier, reflecting higher U.S. prices and lower U.S. production. Mutton imports in the first 5 months of 1965 were down 62 percent from the same period in 1964.

Dutiable (apparel) wool imports continued to enter in amounts greater than in 1964. Imports in the first 5 months were 70 percent above a year earlier. However, imports of duty-free (carpet) wool remained less than a year earlier.

Imports of hides and skins in the first 5 months of 1965 showed mixed trends. Imports of buffalo hides, calf, pig, sheep, and lamb skins increased, while cattle and horse hides, kip, goat, and kid skins declined.

Imports of live cattle in the first 5 months of 1965 were 11 percent above the 1964 levels reflecting higher U.S. prices.

U.S. IMPORTS OF SELECTED LIVESTOCK PRODUCTS

Commodity	May		Jan.-May	
	1964	1965	1964	1965
Red meats:				
Beef and veal:				
Fresh and frozen:	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*
Bone-in beef:				
Frozen	294	340	1,455	1,176
Fresh and chilled	417	1,173	5,327	3,516
Boneless beef	45,746	46,346	278,147	195,883
Cuts (prepared)	56	101	343	716
Veal	2,065	2,684	7,667	7,608
Canned beef and beef sausage	3,782	8,327	36,144	25,811
Prepared & preserved	748	2,784	3,085	8,134
Total beef and veal	53,108	61,755	332,168	242,844
Pork:				
Fresh and frozen	3,323	4,288	16,668	18,571
Canned:				
Hams and shoulders	11,543	11,840	58,041	68,357
Other	2,289	1,806	8,693	11,135
Cured:				
Hams and shoulders	108	99	599	668
Other	316	447	1,774	2,111
Sausage	112	153	694	676
Total pork	17,691	18,633	86,469	101,518
Mutton and goat	2,591	1,786	20,863	7,884
Lamb	781	2,069	4,889	5,034
Other sausage	247	219	1,694	1,964
Total red meat	74,418	84,462	446,083	359,244
Variety meats	89	96	684	527
Wool (clean basis)				
Dutiable	6,478	12,822	40,974	69,729
Duty-free	11,481	7,815	53,354	39,076
Total wool	17,959	20,637	94,328	108,805
	1,000 pieces	*1,000 pieces*	*1,000 pieces*	*1,000 pieces*
Hides and skins:				
Cattle	33	22	150	92
Calf	24	40	131	204
Kip	97	51	313	250
Buffalo	58	59	213	242
Sheep and lamb	3,498	2,645	15,452	16,116
Goat and kid	1,650	1,409	6,545	6,329
Horse	25	48	190	146
Pig	133	253	742	1,369
	Number	*Number*	*Number*	*Number*
Live cattle[1]	43,774	85,274	281,760	312,769

[1] Includes cattle for breeding.

Source: U.S. Department of Commerce, Bureau of the Census.

Mexico Transships Less Cotton

Transshipments of Mexican cotton through U.S. ports during the 8 months (August-March) of the current season totaled 149,000 bales (500 lb. gross). This was 47 percent below the 279,000 bales shipped during a similar period of the previous season.

Transshipments in March were 48,000 bales, compared with 2,000 in February and 35,000 in March 1964.

Quantities shipped to major destinations from August 1964 through May 1965, with comparable 1963-64 figures in parentheses, were France 32,000 (42,000), Italy 28,000 (67,000), United Kingdom 16,000 (15,000), West Germany 14,000 (29,000), Switzerland 11,000 (13,000), Chile 10,000 (17,000), South Africa 8,000 (8,000), and Australia 7,000 (13,000).

U.S. ports through which most Mexican transshipments moved during the period under review were Brownsville 125,000 bales, Los Angeles 9,000, Houston 8,000, Corpus Christi 4,000, and Galveston 2,000.

West German Cigarette Sales Up

Cigarette sales in West Germany (including West Berlin) continued upward through the first quarter of calendar 1965. Total sales amounted to 23.2 billion pieces, or up 9.5 percent from the 21.1 billion sold during January-March 1964.

Cigar sales also rose to 972 million pieces from 947 million for the same quarter last year, whereas sales of the other products were down significantly.

Japan's Tobacco Crop Smaller

Preliminary estimates by the Japan Monopoly Corporation place Japan's 1965 tobacco crop at about 449 million pounds—a drop of 4 percent from the record 1964 harvest of 468 million. The small decrease was expected, although acreage this year is higher—212,382 acres compared with 203,674 a year ago; weather and growing conditions this year in general have been less favorable than in 1964, particularly in the flue-cured areas.

The 1965 flue-cured crop is placed at 277 million pounds, against last year's record harvest of 297 million.

Production of burley this year will be approximately the same as last year's 28 million pounds. Other types—wrapper and native light sun-cured—also will be about the same as in 1964.

Greek Burley Production

Acreage planted to burley tobacco in Greece in 1965 is about 4,500 acres, compared with 3,830 last year. Production last year was about 7.9 million pounds. Based on the increase in plantings, the 1965 harvest may total about 9 million pounds.

Burley tobacco is grown in Greece solely for export purposes, mainly to West Germany.

Canadian Farmers Increase Flaxseed, Rapeseed Acreages

Canadian farmers in the Prairie Provinces have increased this year's seedings to flaxseed and rapeseed by 14 and 88 percent, respectively, from those of 1964, according to the Dominion Bureau of Statistics' June 1 survey, released July 14. About 97 percent of Canada's flaxseed area and all of its rapeseed is in the Prairie Provinces.

Flaxseed area is estimated at 2,184,000 acres compared with the revised estimate of 1,916,000 acres in 1964. This is 14 percent above last year's acreage and 5 percent above the 10-year (1953-62) average. An increase was reported for each of the Prairie Provinces.

Rapeseed area is placed at a record 1,485,000 acres compared with the revised estimate of 791,000 acres seeded last year and the 10-year average 386,100 acres.

French Production and Imports of Fishmeal and Oil

Production of fishmeal in France during 1964 totaled an estimated 12,000 metric tons as against an estimated

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8,000 in 1963. Production, which is concentrated along the northern coast, is based mainly upon offal and waste from the preparation of fish for human consumption. There is no fishing of importance direct for the reduction plants. France is largely dependent on imports to satisfy its requirements. Imports of fishmeal in 1964 totaled 104,835 tons as against 76,512 in 1963.

Production of codfish oil in 1964 amounted to 3,321 tons compared with 1,188 in 1963. There are no statistics available on other types of fish oils produced in France, but their tonnages are reported to be insignificant. French needs for fish oil are met by imports, which totaled 29,289 tons in 1964 compared with 29,990 in 1963.

Hard Fiber Harvest Down in First Quarter

Production of sisal in East Africa (Tanzania, Kenya, and Uganda) in the first quarter of 1965 fell 3,037 long tons, or 4 percent, below the corresponding quarter of 1964. About two-thirds of the drop was in Kenya and Uganda where 15,247 tons were produced compared with 17,271 tons in the first quarter of 1964. Tanzania produced 50,719 tons compared with 51,732 tons. East Africa produced 43 percent of the world total in the calendar year 1964.

Philippine abaca production in January-March 1965 fell 3.4 percent from the corresponding period in 1964 and totaled only 230,355 bales (of 278.88 lb.). Exports during the quarter were 186,579 bales, or 10.6 percent less than in the first quarter of 1964.

U.S. Cocoa Bean Grind Up

Grindings of cocoa beans in the United States during the second quarter of 1965 amounted to 145.6 million pounds, bringing total grindings for the first 6 months to 301.3 million pounds, up 4 percent over the corresponding period in 1964. Total U.S. grind last year was 587.7 million pounds, the highest since 1950.

Chocolate bar sizes were reduced 2 years ago when sugar and cocoa bean prices were at relatively high levels. However, current low prices of cocoa beans are now expected to result in greater consumption. Cocoa beans are now selling for about 10 cents a pound (New York July 1965 futures)—less than one-half the level of 1964.

World's Soybean Crop

(Continued from page 6)

levels in 1964.) Consequently, Japan is importing an ever-increasing amount of soybeans from the United States and Mainland China.

The total Japanese soybean import in 1964 was 4 percent above that of 1963. Although the United States still supplies Japan with most of its beans, the increase in 1964 was not felt in U.S. shipments. Japanese importers and users prefer the pricing and shipping arrangements connected with the purchase of U.S. beans, but trade complaints were that shipments of the 1964 U.S. crop had a higher moisture content, lower oil yield, and more foreign material than previous years. As a result, Japan bought 2 million bushels more from Mainland China than it did in 1963, with all indications for a further increase this year.

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